February 9, 2009

Massachusetts Department of Energy Resources 100 Cambridge Street Suite 1020 Boston, Massachusetts 02114

Re: DOER Emergency RPS Regulations

Dear Sir/Madam:

Ridgewood Renewable Power LLC respectfully offers the following comments to the emergency RPS regulations promulgated by the Massachusetts Department of Energy Resources (the "DOER").

Pursuant to Section 105(g) of the Green Communities Act (the "Act"), the DOER was tasked with, among other things, a study to determine the feasibility of requiring that renewable resources that are external to the ISO-New England Control Area ("ISO-NE") (1) commit their capacity to the ISO-NE and (2) for RPS purposes, net their renewable imports into the ISO-NE from their exports of energy out of ISO-NE. The Act requires the DOER to conduct such study and, if such provisions are feasible, propose and adopt regulations implementing the relevant sections. As outlined more fully in our comments dated October 1, 2008, "feasibility" in the context of Section 105 requires only a determination of whether external resources committing their capacity to ISO-NE can be done or accomplished and not consideration of any other extraneous matters, including the costs of or the difficulties associated with compliance. This view has been adopted by the United States Supreme Court. While the DOER and LaCapra both concluded that the capacity commitment requirements in Section 105(g) of the Act were technically feasible, the DOER went on to consider various public policy and other considerations. These additional considerations were beyond the scope of the DOER's legislative mandate and, accordingly, the conclusions and the resulting Section 14.05(5) of the emergency regulations are ultra vires state law. Accordingly, the legislature's requirement that external renewable resources commit their capacity must be implemented as mandated.

- Section 14.05(1)(a)5 of the emergency regulations substantially modifies the RPS by attempting to permit the transportation of landfill methane gas to an ordinary natural gas power plant using a common carrier pipeline. This change (i) relies on false arguments about the environmental benefits (ii) does nothing to advance the legislature's goal of increasing actual renewable energy generation in New England and (iii) simply dilutes the Massachusetts RPS with no corresponding benefits.
  - This modification relies on a mere bookkeeping entry to convert an ordinary natural gas power plant into a "synthetic landfill gas to electric plant".
  - Through this provision, existing natural gas fired generators in New England will continue to burn the same natural gas that they have been using for years while regulators pretend that they are burning landfill gas from remote regions of western Pennsylvania.
  - o Regardless of the contract path of the fuel, natural gas fired generators do not behave like landfill gas fueled generation. For example, while landfill gas plants are available 24/7/365, natural gas plants are subject to fuel supply curtailment during cold winter periods.
  - o This modification also violates the RPS legislation, which by its clear terms does not permit natural gas fueled power plants to qualify for the RPS. Accordingly, the blanket prohibition on transportation of landfill gas through a common carrier pipeline must be restored.
  - O High btu landfill gas projects may be worthwhile projects, and Ridgewood would support action by the legislature if it were to enact appropriate incentives to encourage the development of such projects. However, it is inappropriate for the DOER to attempt to shoe-horn such projects into the RPS, which is designed to incentivize certain forms of electric generation.
- Section 16.02 defines "Combined Heat and Power (CHP)" as "[t]he
  generation of electrical and Useful Thermal Energy in a single integrated
  system." However, "power" can include the generation of mechanical
  energy rather than electrical energy. One common example is a natural
  gas pipeline compressor station in which a combustion turbine
  compressor is used to mechanically compress the natural gas.

Accordingly, it is suggested that the definition be modified to include electrical or mechanical energy.

Respectfully submitted,

Stephen Galowitz Managing Director

Ridgewood Renewable Power LLC